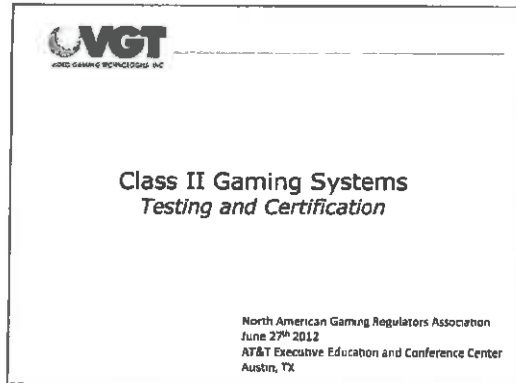
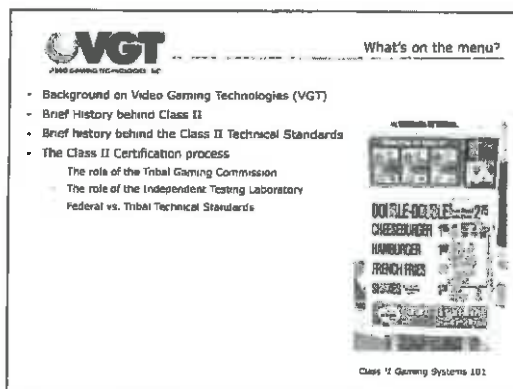


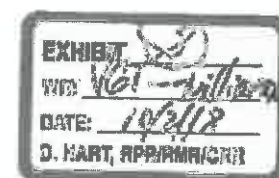
EXHIBIT 2

6/29/12










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Brief History behind Class II

The Indian Gaming Regulatory Act (IGRA) of 1988 (25 U.S.A 2701) established three separate gaming classes

- The three classes of gaming are defined as:
- Class I - Traditional Indian gaming and social gaming for minimal prizes
- Class II - The game of chance commonly known as bingo (whether or not electronic, computer, or other technological aids are used in connection therewith) and if played in the same location as the bingo, pull tabs, punch board, tip jars, instant bingo, and other games similar to bingo.
- Class III - Includes all forms of gaming that are neither class I nor II

Class II Gaming Systems 101




Brief History Behind Class II Gaming Systems

The Technical Standards for Electronic, Computer, or Other Technologic Aids Used in the Play of Class II Games (25 CFR Part 547) defines a Class II Gaming System as:

"All components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid in the play of one or more Class II games, including accounting functions mandated by these regulations"

Class II Gaming Systems 101



Brief History Behind Class II Gaming Systems


So How does a Class II Gaming System work?

A Class II Gaming System is comprised of multiple game interfaces linked back to a server where the game being played is a traditional form of bingo in electronic form

- The games require, at minimum, two people to compete against each other for a common set of prizes
- Bingo balls are being called electronically
- The numbers are being displayed electronically and covered electronically
- The prizes or wins are claimed electronically
- The bingo game is played on the server
- The reels or video representations on the player interfaces are for "entertaining display" only and have nothing to do with the game outcome

Class II Gaming Systems 101

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 **Class II Gaming System Components and Terminology**

What is a Class II Gaming System comprised of?

Game Server

- Contains the following components:
 - Random Number Generator
 - Paytables or payback percentages
 - Game themes and or skins


Report Server

- Contains the following components:
 - All game reporting and metering functionality (i.e. coin in, coin out, ticketing information, bonusing and player tracking information)

Player Interface

- Enables the player to interact with the Class II Game
 - This includes terminals, player stations, handheld devices, fixed units

Class II Gaming Systems 101

 **Class II Gaming System Components and Terminology**

What is a Class II Gaming System comprised of?


Management Terminal

- Allows for install, modify or remove
 - Paytable or payback percentage
 - Game type
 - Ball call type
 - Verification of system versions and signatures

Voucher Systems

- Validates vouchers, tickets or coupons for the Class II Gaming System
- Controls the purging of expired vouchers, tickets or coupons
- Validates payments of vouchers, tickets or coupons

Class II Gaming Systems 101


 **The Role of the Tribal Gaming Regulatory Authority**

The Tribal Gaming Regulatory Authority (TGRA) oversees and is responsible for all gaming activity of the tribe

- The TGRA is the primary regulator for Class II Gaming Systems
- State Agencies do not have authority to regulate Class II Gaming Systems
- The TGRA must approve that the Class II Gaming System meets the requirements of the Tribe before it is made available for play to the public
- Tribes have the authority to test to standards above the Federal Class II Technical Standards

Class II Gaming Systems 101

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The Role of the Independent Testing Laboratory

The Independent Testing Laboratory conducts the testing of the manufacturers Class II Gaming System to the standards set forth by the Tribal Gaming Regulatory Agency

- The ITL does not certify Class II Gaming Systems, they provide the testing results to the TGRA for final approval
- The ITL can conduct the following testing for Class II Gaming Systems:
 - Grandfathering testing (25 CFR 547.4)
 - Full certification testing
 - Hardware or software modifications
 - Emergency modifications

Class II Gaming Systems 101




Federal vs. Tribal Technical Standards

In addition to the Federal Class II Technical Standards, several tribes have developed and or adopted additional standards for Class II Gaming Systems

- Chickasaw Nation of Oklahoma
 - Chickasaw Nation Gaming Commission Technical Standards
- Choctaw Nation of Oklahoma
 - Choctaw Nation Gaming Commission Technical Standards and Procedures for Electronic Gaming under the Oklahoma Compact and 25 CFR Part 547

Class II Gaming Systems 101



Breaking down the technical standards

What is the submission process?

- The Class II Gaming Manufacturer or supplier had to submit the Class II Gaming System applying for the Grandfathering provision to an Independent Testing Laboratory (ITL) by March 10th 2009
- Anything submitted after March 10th 2009 to the ITL must comply with the full set of technical standards
- The ITL will review the submission against a specific set of requirements as set forth in Section 547.4 of the Regulations including the following:
 - Random Number Generation
 - Minimum probabilities
 - No-reflexive or secondary decision-making after the random numbers are drawn
 - The inability to change bingo cards during the play of a game
 - A mechanism for verifying game software

Class II Gaming Systems 101

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VGT Breaking down the technical standards
VIDEO GAMING TECHNOLOGIES, INC.

What needs to be tested for Grandfathering Class II Gaming Systems?

547.5(c) Fairness and 547.8(b) Game Initiation and Play
Static Art Images including but not limited too;

- Belly Glass, Top Box Glass, Help Screens, Pay Screens, Alternative Display reel strip layout information
- All advertized prize schedules that are available to win by the player

547.8(f) Software Signature Verification
Signatures for all critical software files to be certified within the Class II Gaming System including but not limited too;

- SHA-1, Kobatron (4 or 8 digit), Dataman, MD5

Class II Gaming Systems 101

VGT Breaking down the technical standards
VIDEO GAMING TECHNOLOGIES, INC.

What needs to be tested for Grandfathering Class II Gaming Systems?

547.14 Minimum Technical Standards for Electronic Random Number Generation

Par sheets or equivalent documentation including but not limited too;

- Calculations of payout percentages
- Alternative Display reel strip layout information
- All prize schedules available to player for win including top amount, minimum Return Payout Percentage (RTP)
- Maximum RTP
- Base Game Description
- Scatter or Bonus Game Description
- Minimum bet, maximum bet

Class II Gaming Systems 101

VGT Breaking down the technical standards
VIDEO GAMING TECHNOLOGIES, INC.

What happens after the testing?

- TGRA receives a certification report from the ITL for a Class II Gaming System that was submitted to an ITL for evaluation testing.
- TGRA will then review the certification report and make the determination if the Class II Gaming System qualifies for Grandfathering in their jurisdiction.
- Once the TGRA has made the decision to Grandfather a Class II Gaming System, they must make a finding in the form of a certificate to the Manufacturer or supplier of the Class II Gaming System.
- The certificate must be sent to both the Class II Gaming System Manufacturer and the NIGC. A description of the Grandfathered Class II Gaming System must accompany the certificate sent to the NIGC. The description of the Class II Gaming System will be in the certification report issued by the ITL.

Class II Gaming Systems 101

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VGT VIDEO GAMING TECHNOLOGIES, INC. Breaking down the technical standards

What needs to be tested for Class II Gaming Systems applying for full compliance?

- Class II Gaming Systems that don't qualify for Grandfathering status must be testing and certified by the TGRA against the full set of technical standards
- Key areas that need to be tested and certified are;
 - Receiving Underwriters Laboratory (UL) certification for required hardware equipment
 - The Class II Gaming Systems ability to report and record critical events i.e. component faults, financial input faults, critical memory faults, progressive communication faults, program storage medium faults
 - The Class II Gaming Systems ability to download approved content by the TGRA
 - Class II Gaming System security of sensitive data i.e. pin numbers, passwords, transfers of funds, remote access
 - Class II Gaming Systems complying with testable sections of the Minimum Internal Control Standards (MICS)

Class II Gaming Systems 101

VGT VIDEO GAMING TECHNOLOGIES, INC. Grandfathering vs. Full Compliance Testing

Grandfathering	Full Compliance Testing
<ul style="list-style-type: none"> Establishes a limited immediate compliance for Class II Gaming Systems Focuses on specific areas of Class II Gaming Software that affects the play of the game Minimize the financial impact on Class II Manufacturers for hardware, software upgrades and modifications Intended to "Freeze" the amount of player interfaces that can be used in the field with grandfathered Class II Gaming Systems 	<ul style="list-style-type: none"> Class II Gaming Systems that did not qualify for Grandfathering Status Any Class II Gaming System submitted to an ITL after March 10th 2009 Must comply with all hardware regulations (including UL certification of hardware devices) Must comply with testable sections of the MICS Remote access, system security and critical events are key areas of compliance for TGRA's

Class II Gaming Systems 101

VGT VIDEO GAMING TECHNOLOGIES, INC. Thank You!

Thank you for your time!

If you have any questions or need any assistance with Regulatory or Compliance issues feel free to contact me

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Class II Gaming Systems 101
